In The Claims:

Please cancel claims 13-19, 21, 22, and 30 without prejudice or disclaimer and amend claim 27 as follows:

1. (Previously Amended) A flux shunt for use in a power generator comprising a stator having a stator core and a rotor rotatably disposed within the stator, the flux shunt comprising:

a convex outer surface adapted to be disposed adjacent to a radial inner surface of the stator core; and

a concave inner surface adapted to be disposed adjacent to a radial outer surface of the rotor;

wherein the flux shunt attracts fringing magnetic flux in a power generator and wherein a permeability of the flux shunt is greater than a permeability of the stator core.

2. (Original) The flux shunt of claim 1, wherein the flux shunt comprises a magnetically isotropic material.

3. (Original) The flux shunt of claim 1, wherein the flux shunt is substantially cylindrically-shaped.

4. (Original) The flux shunt of claim 1, wherein the flux shunt comprises multiple discrete rings capable of being disposed around the periphery of an inner surface of the stator.

5. (Original) The flux shunt of claim 1, wherein the flux shunt comprises plurality of segments capable of being discretely disposed around the periphery of an inner surface of the stator.

6. (Previously Amended) A power generator stator assembly comprising:

a substantially cylindrical stator core comprising a radial inner surface, an outer surface, and two ends; and

a flux shunt having a convex outer surface, the convex outer surface disposed adjacent to the inner surface of the stator core, the flux shunt disposed at one end of the two ends of the stator core, wherein a permeability of the flux shunt is greater than a permeability of the stator core.

7. (Original) The power generator stator assembly of claim 6, wherein the flux shunt comprises a first flux shunt disposed at a first end of the two ends, wherein the power generator stator assembly further comprises a second flux shunt disposed adjacent to the inner surface of the stator core at a second end of the two ends of the stator core, and wherein a permeability of each of the first flux shunt and the second flux shunt is greater than a permeability of the stator core.

8. (Original) The power generator stator assembly of claim 6, wherein the flux shunt comprises an approximately cylindrically-shaped insert that is disposed adjacent to the inner surface of the proximal end.

9. (Previously Amended) The power generator stator assembly of claim 8, wherein the inner surface of the stator core comprises multiple steps stepping the stator core away from a rotor disposed inside of the stator core, and wherein the flux shunt outer surface mates with the multiple steps of the stator core.

10. (Original) The power generator stator assembly of claim 6, wherein the flux shunt comprises a plurality of approximately ring-shaped inserts.

11. (Original) The power generator stator assembly of claim 6, wherein the flux shunt comprises a magnetically isotropic material.

12. (Original) The power generator stator assembly of claim 6, wherein the flux shunt comprises an inner surface and an outer surface, wherein the outer surface of the flux shunt is disposed adjacent to the inner surface of the stator core, and wherein the power generator stator assembly further comprises a flux shunt retainer that is disposed adjacent to the inner surface of the flux shunt.

13-19 (Cancelled).

20. (Previously Amended) A power generator comprising:

an approximately cylindrically-shaped stator comprising a stator core, a radial inner surface, an outer surface, and two ends;

a flux shunt radially disposed adjacent to the inner surface of the stator at approximately an end of the two ends of the stator; and

a rotor rotatably disposed inside of the stator;

wherein a rotation of the rotor causes an induction of a magnetic flux that is greater than the magnetic flux that would be induced in the absence of the flux shunt.

21-22 (Cancelled)

23. (Previously Added) The flux shunt of claim 2, wherein the magnetically isotropic material comprises powdered iron.

24. (Previously Added) The power generator stator assembly of claim 11, wherein the magnetically isotropic material comprises powdered iron.

25. (Previously Added) The power generator stator assembly of claim 12, wherein the flux retainer is affixed to an outside space block disposed at one of the two ends.

26. (Previously Added) The power generator stator assembly of claim 6, wherein the convex outer surface of the flux shunt is attached to the radial inner surface of the stator core.

27. (Previously Added, Currently Amended) A power generator stator assembly comprising:

a stator core having a radial inner surface; and

a flux shunt formed from an electrically resistive, thermally conductive, and magnetically permeable material, the flux shunt ~~being~~ having a convex outer surface disposed adjacent to the radial inner surface of the stator core.

28. (Previously Added) The power generator stator assembly of claim 27, wherein the electrically resistive, thermally conductive, and magnetically permeable material comprises a magnetically isotropic material.

29. (Previously Added) The power generator stator assembly of claim 28, wherein the magnetically isotropic material comprises powdered iron.

30. (Cancelled)

31. (Previously Added) The power generator stator assembly of claim 27, wherein the stator core comprises opposing axial ends and the flux shunt is disposed at one of the opposing axial ends.